

DATE: October 20, 2016

TO: Board of Trustees, Utah School & Institutional Trust Lands Administration (SITLA)

FROM: Tom Faddies, Assistant Director/Minerals  
Jerry Mansfield, Resource Specialist

RE: Amendment to Other Business Arrangement (“OBA”) – Non-Competitive Lease Gilsonite Minerals, Gilsonite Minerals Lease ML 52139-OBA. This Amendment to ML 52139-OBA has been reviewed by the SITLA Board’s Mining Committee and they have recommended the Board consider it for approval.

Fund: School

Fund: School

Sec. 29: S<sup>1</sup>/<sub>2</sub>NW<sup>1</sup>/<sub>4</sub>, NE<sup>1</sup>/<sub>4</sub>SW<sup>1</sup>/<sub>4</sub>, N<sup>1</sup>/<sub>2</sub>SE<sup>1</sup>/<sub>4</sub>

APPLICANT: Table Rock Minerals, LLC  
PO Bo 1530  
Vernal, Utah 84078

As provided for under Utah Code Anno. 53C-2-401(1)(d)(ii), which permits the Board of Trustees to approve “other business arrangements”, Table Rock Minerals, LLC (Table Rock) on October 3, 2016, submitted a proposal to amend their lease, under the Gilsonite minerals lease category by adding the above-referenced land. The reason this action requires Board approval is the lease was not originally offered via any competitive lease process.

## Section 29 Lease History

Section 29 was selected as an "In-Lieu" section on list # 267-77111 April 29, 1963. Portions of the section have been lease for Gilsonite from sometime around the State's appropriation of the section until September of 1994.

## Background

Table Rock or their representative have had Gilsonite Minerals Lease ML 52139-OBA since its beginning date May 1, 2012. Since the approval of ML 52139-OBA there have been 20

exploration trenches dug and 17 exploration drill holes drilled to define a small but commercially minable Gilsonite deposit on Section 33.

### **Proposal**

Table Rock would like to amend their lease to add lands in Section 29 and utilize their knowledge, experience and equipment to evaluate in and around the existing workings. Table Rock would pay a bonus payment of \$125.00 per acre that would include the first year's rental for the additional acreage (total \$25,000.00). The ten year primary term of the lease would be extended to ten years past the first day of the month following approval of the amendment; otherwise, the original terms and conditions of the lease would be observed:

- Rental, \$25.00 per acre
- Royalty, the greater of 10% or \$16.00 per ton.

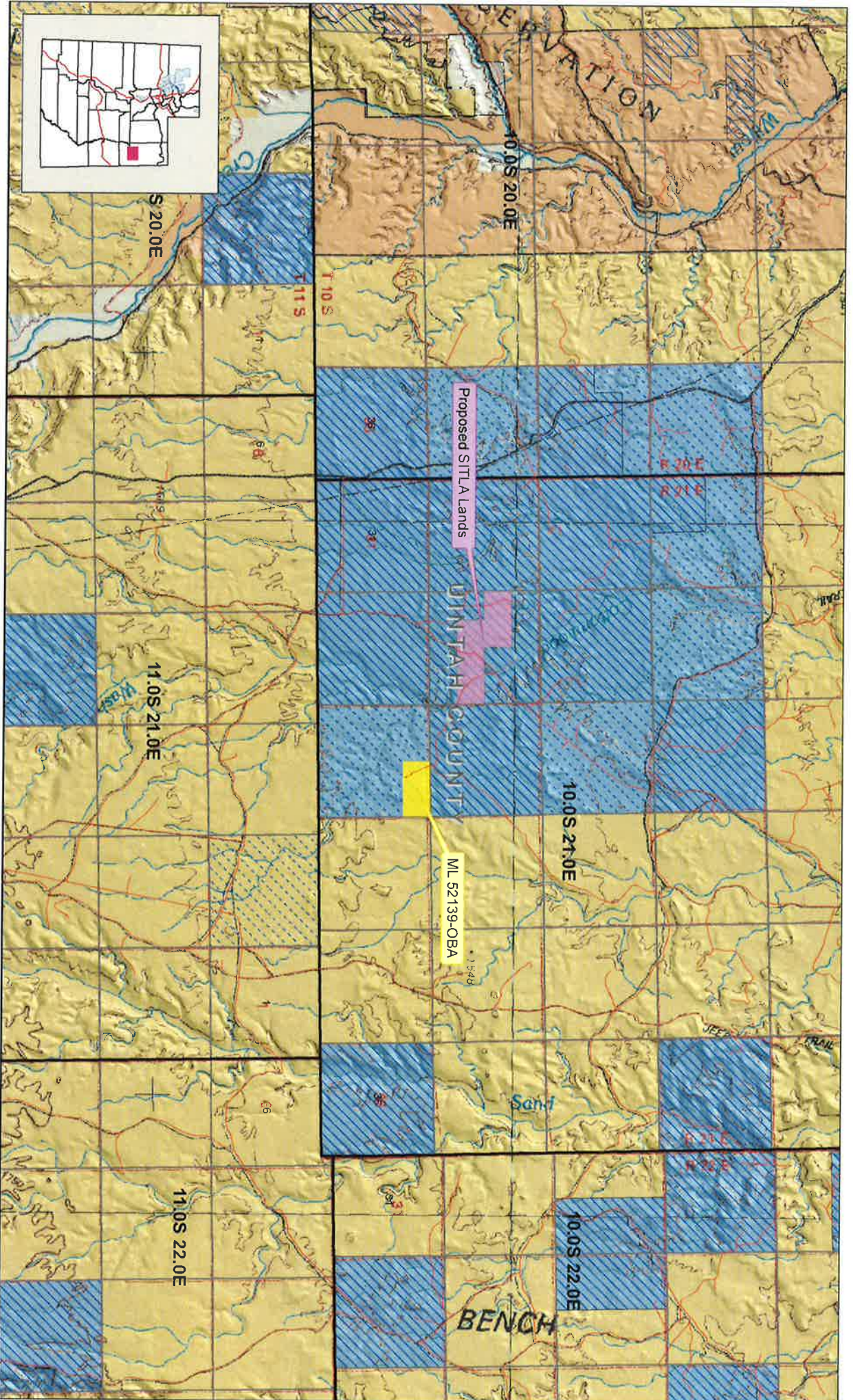
### **Recommendation**

The Trust Land Administration recommends that the Board of Trustees, of the School and Institutional Trust Lands Administration, grant approval to amend Gilsonite Minerals Lease ML 52139-OBA to include trust land within Sections 29 of T10S R21E under the terms and conditions presented in this lease proposal.

Respectfully Submitted by:

Tom Faddies  
Assistant Director of Minerals

Jerry Mansfield  
Resource Specialist



# Table Rock Minerals Proposed Amendment to ML 52139-OBA

0 3,750 7,500 Feet

N

**Trust Lands Mineral Ownership**

- Full Mineral
- Partial Mineral

**Land Ownership and Administration**

- Bureau of Land Management
- Private
- State Trust Lands
- Tribal Lands

**SITLA Lands Proposal to be Added**

- Mineral Lease

Use boundary data from the Virginia Department of Transportation (VDOT) and the Virginia Department of Forestry (VDOT) to create the map.

Public V:\GIS\GIS\_Comp\Ready\Map\_10100\_Landscapes.mxd

Coordinate System: NAD 83  
Projection: Transverse Mercator  
Units: Feet

**Please Note:** While SITLA seeks to verify data for accuracy and content, discrepancies may exist within the data. Acquiring the most updated SITLA ownership GIS data may require contacting the GIS staff directly at 803-536-5100 or TLA-GIS@usda.gov. The SITLA GIS department welcomes your comments and concerns regarding the data and will attempt to resolve issues as they are brought to our attention.